

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH SIDE WATER)	
ASSOCIATION FOR RATE ADJUSTMENT PURSUANT)	CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE)	89-360
FOR SMALL UTILITIES)	

O R D E R

On December 13, 1989, South Side Water Association ("South Side") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$30,344, an increase of 40.2 percent above test-year revenues from water sales.

In October 1989, Commission Staff conducted a field review of South Side's test-period financial records.¹ Based upon this review, Commission Staff issued its report on February 5, 1990, recommending a \$27,671 increase in annual revenues.

By letter dated February 15, 1990, South Side was advised to file comments on the Staff Report or request a hearing no later than March 2, 1990, or the case would stand submitted to the

¹ South Side requested the assistance of Commission Staff in preparing its application for rate adjustment. While providing this assistance, Commission Staff reviewed South Side's financial records.

Commission for decision. No comments on the Staff Report or requests for a hearing have been received.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for South Side and will produce gross annual revenues of \$103,064. These rates will allow South Side sufficient revenues to meet its operating expenses and provide for future growth equity, including provisions for servicing its debt.

3. The rates proposed by South Side would produce revenue increases of that found unreasonable herein and should be denied.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Side in its application are hereby denied.

2. The rates contained in Appendix A are approved for service rendered by South Side on and after the date of this Order.

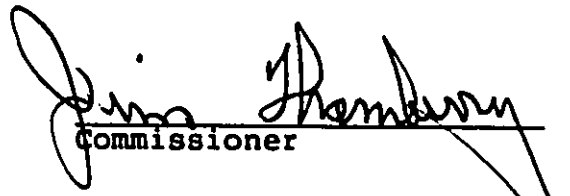
3. Within 30 days of the date of this Order, South Side shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-360 DATED 3/28/90

The following rates and charges are prescribed for the customers served by South Side Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Usage Block</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$ 11.90 (Minimum Bill)
Next 4,000 gallons	5.00 per 1,000 gallons
Next 4,000 gallons	4.00 per 1,000 gallons
Next 15,000 gallons	3.50 per 1,000 gallons
Next 25,000 gallons	3.25 per 1,000 gallons
Over 50,000 gallons	2.80 per 1,000 gallons